

EXHIBIT C-1

EXHIBIT C

PROJECTED FINANCIAL INFORMATION

Debtor has prepared the following projected operating and financial results (the "Projections") for the five years ending December 31, 2009. The Projections include (A) a pro-forma reorganized balance sheet at July 15, 2004 reflecting estimated reorganization and fresh-start adjustments, (B) projected balance sheets for the fiscal years 2004 through 2009, (C) projected statements of operations for the fiscal years 2004 through 2009, and (D) projected statements of cash flows for the fiscal years 2004 through 2009.

THE DEBTOR DOES NOT, AS A MATTER OF COURSE, PUBLISH ITS BUSINESS PLANS, BUDGETS OR STRATEGIES OR MAKE EXTERNAL PROJECTIONS OR FORECASTS OF ITS ANTICIPATED FINANCIAL POSITIONS OR RESULTS OF OPERATIONS. ACCORDINGLY, THE DEBTOR (INCLUDING THE REORGANIZED DEBTOR) DOES NOT ANTICIPATE THAT IT WILL, AND DISCLAIMS ANY OBLIGATION TO, FURNISH UPDATED BUSINESS PLANS, BUDGETS OR PROJECTIONS TO HOLDERS OF CLAIMS OR INTERESTS PRIOR TO THE EFFECTIVE DATE OR TO STOCKHOLDERS OR CLAIMHOLDERS AFTER THE EFFECTIVE DATE OR TO INCLUDE SUCH INFORMATION IN DOCUMENTS REQUIRED TO BE FILED WITH THE SEC, OR ANY STOCK EXCHANGE OR OTHERWISE MAKE SUCH INFORMATION PUBLICLY AVAILABLE.

The Projections should be read in conjunction with the assumptions, qualifications and explanations set forth herein.

Basis for the Projections

The Projections are based on, and assume the successful implementation of, the Reorganized Debtor's business plan. Both the Reorganized Debtor's business plan and the Projections reflect numerous assumptions, including various assumptions regarding the anticipated future performance of the Reorganized Debtor, industry performance, general business and economic conditions and other matters, most of which are beyond the control of the Debtor and the Reorganized Debtor. Specific risks and uncertainties that may affect the accuracy of the Projections include, among others, those relating to:

- the degree to which the Reorganized Debtor will be leveraged and require related debt service obligations and substantial capital expenditure requirements;
- competitive factors in the markets in which the Reorganization Debtor will operate;

- the ability of the Reorganized Debtor to renew existing contracts and procure new contracts, including issues relating to bonding requirements;
- the ability of the Reorganized Debtor to control costs, particularly raw materials necessary for production;
- the ability of the Reorganized Debtor to respond to any existing or new competition within its market;
- the effect of any new or amended legislation applicable to the business of the Reorganized Debtor.

THEREFORE, ALTHOUGH THE PROJECTIONS ARE NECESSARILY PRESENTED WITH NUMERICAL SPECIFICITY, THE ACTUAL RESULTS ACHIEVED DURING THE PROJECTION PERIOD WILL VARY FROM THE PROJECTIONS. THESE VARIATIONS MAY BE MATERIAL. ACCORDINGLY, NO REPRESENTATION CAN BE OR IS BEING MADE WITH RESPECT TO THE ACCURACY OF THE PROJECTIONS OR THE ABILITY OF THE REORGANIZED DEBTOR TO ACHIEVE THE PROJECTIONS.

Although the Debtor believes that the assumptions underlying the Projections, when considered on an overall basis, are reasonable in the light of current circumstances, no assurance can be or is given that the Projections will be realized. In deciding whether to vote to accept or reject the Plan, holders of Claims must make their own determinations as to the reasonableness of such assumptions and the reliability of the Projections.

The independent auditors for the Debtor have neither examined nor compiled the Projections presented herein and, accordingly, assume no responsibility for them. Moreover, the Projections have not been prepared to comply with guidelines established with respect to projections by the SEC or the American Institute of Certified Public Accountants.

Information relating to the principal assumptions used in preparing the Projections is set forth below:

Effective Date. The Projections assume Confirmation of the Plan and that all transactions contemplated by the Plan to be consummated by the Effective Date will be consummated as of July 15th, 2004. Although the Debtor presently intends to seek to cause the Effective Date to occur as soon as practicable, there can be no assurance as to when the Effective Date actually will occur.

General Economic Conditions. The Projections were prepared based on assumptions that economic conditions existing at the time the Projections were prepared will last throughout the Projection Period and that the general economic climate in the U.S. remains relatively stable.

Reorganization Costs. Projected reorganization costs consist of professional fees and expenses relating to the bankruptcy filing as well as fees associated with the refinancing. The total amount of reorganization expenses in fiscal 2004 are \$7.7 million.

Capital Expenditures. Projected capital expenditures represent management's estimates of the capital spending required to maintain the Company's existing capital stock.

Post-Reorganization Debt. The Projections assume that, as of the Effective Date, the Reorganized Debtor obtains the Revolver and Term Loan/LC Financing Facility, which is assumed to consist of the following:

- the Revolver and the Term Loan/LC Financing Facility in the amount of \$20 million; and
- the Revolver and the Term Loan/LC Financing Facility in the principal amount of \$50 million, bearing interest at 8% per annum, with principal payments tied to certain quarterly EBITDA targets, and maturing in 2006.

Letters of Credit. The Projections assume that any pre-petition letters of credit that have not been drawn by the Effective Date will be replaced by letters of credit issued under the Term Loan/LC Financing Facility.

Key Notes

The projections should be read in conjunction with the following notes and assumptions:

Without limiting the generality of the foregoing, the Projections depart from generally accepted accounting principles ("GAAP") in the following respects:

The projected balance sheets do not separate bank borrowings into current and non-current portions. There is no impact of this departure from GAAP on assets, income or equity.

Income taxes are assumed to be paid currently. The Projections do not recognize the future tax consequences of differences between the tax and financial accounting basis of the assets and liabilities at each year. The impact of this departure from GAAP on assets, income and equity is not material.

The projections reflect financial results and assets of the Debtor's non-bankrupt North American furniture subsidiaries (Bush Industries of Pennsylvania, Inc.; Bush Industries, DE Mexico, SA, DE, C.V.; Bush Commercial DE, SA, DE, C.V.; and Fournier, Inc.).

The projections do not reflect the financial results of the Debtor's non-bankrupt German subsidiary (Röhr) or Bush Technologies (Colorworks).

Plant and equipment are shown at fair value which is assumed to be their appraised value as of September 30, 2003. The value of the Erie facility has been written down to reflect recent expressions of interest on the property which were well below the appraised value.

The Debtor's investments in its European subsidiary and in Colorworks have been written down to the most recent estimated liquidation value (\$10 million). The actual market value of these assets may vary significantly from this estimate.

For purposes of this analysis, it is assumed that \$89 million of pre-petition secured debt is compromised and converted to equity in the reorganized entity.

The Debtor believes Postpetition DIP borrowings, which will be repaid by the new Revolver, will total \$13 million on the Effective Date.

For the purposes of this analysis, outstanding revolving and term debt is assumed to be refinanced at the end of 2006 and rolled into a new revolving credit facility on the same terms as the proposed exit financing.

Accounts Receivable are collected on average in 35-37 days.

Obsolete inventory is written down to zero on the Effective Date. Ongoing inventory levels are maintained at the current level of 50 to 55 days. Due to the inventory write down, the Debtor will significantly reduce the margin impact of closeout activity over the next 2 to 3 years.

Accounts payable are paid in 20 days on average.

For the purposes of this analysis, income taxes are estimated to be 35% of income before taxes and assumed to be paid currently. Actual tax rates will fluctuate significantly.

Sales are assumed to grow 7% annually in 2006 and 2007, and 5% thereafter.

Gross margin improves in 2005 as depreciation expense is reduced and additional labor efficiencies are realized; however, the projections do not assume any reduction in material costs as a percentage of sales.

S, G&A expenses reflect a \$900K annual savings due to elimination of the costs associated with public filings and disclosures; however, variable costs such as distribution and marketing are assumed to grow commensurate with revenue increase.

Bush Industries, Inc.
Projected Balance Sheets

for the Effective Date, and the years ended December 31, 2004 through December 31, 2009
(\$000)

| ASSETS | July 15, 2004 | December 31st, 2004 | December 31st, 2005 | December 31st, 2006 | December 31st, 2007 | December 31st, 2008 | December 31st, 2009 |
|---|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Current Assets | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable, net | 19,241 | 21,814 | 22,857 | 25,126 | 27,710 | 29,968 | 32,385 |
| Inventories | 27,246 | 28,392 | 30,016 | 31,618 | 33,924 | 35,640 | 37,346 |
| Prepaid expenses and other current assets | 8,227 | 8,227 | 8,227 | 8,227 | 8,227 | 8,227 | 8,227 |
| Total current assets | 54,715 | 58,432 | 61,101 | 64,971 | 69,861 | 73,835 | 77,958 |
| Property and Equipment | | | | | | | |
| Property and Equipment | 47,004 | 47,426 | 49,488 | 52,488 | 55,488 | 58,988 | 62,488 |
| Accumulated Depreciation and Amortization | - | (3,299) | (9,898) | (15,193) | (20,329) | (25,368) | (30,322) |
| Total Property and Equipment, net | 47,004 | 44,127 | 39,590 | 37,295 | 35,159 | 33,620 | 32,166 |
| Other assets | 17,067 | 17,067 | 17,067 | 17,067 | 17,067 | 17,067 | 17,067 |
| Total Assets | \$ 118,785 | \$ 119,626 | \$ 117,758 | \$ 119,334 | \$ 122,086 | \$ 124,522 | \$ 127,190 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | | |
| Current Liabilities | | | | | | | |
| Borrowings | \$ 63,676 | \$ 63,844 | \$ 56,463 | \$ 51,002 | \$ 45,000 | \$ 37,352 | \$ 28,046 |
| Accounts payable | 8,980 | 9,464 | 10,806 | 11,498 | 12,336 | 12,960 | 13,580 |
| Other accrued liabilities | 16,613 | 16,613 | 16,613 | 16,613 | 16,613 | 16,613 | 16,613 |
| Total current liabilities | 89,269 | 89,921 | 83,882 | 79,112 | 73,949 | 66,925 | 58,239 |
| Deferred Income Taxes | 5,078 | 5,145 | 5,145 | 5,145 | 5,145 | 5,145 | 5,145 |
| Other Long-Term Liabilities | (15,812) | (15,812) | (15,812) | (15,812) | (15,812) | (15,812) | (15,812) |
| Long-Term Debt | | | | | | | |
| | 3,130 | 3,130 | 3,130 | 3,130 | 3,130 | 3,130 | 3,130 |
| Total liabilities | 81,665 | 82,383 | 76,344 | 71,574 | 66,411 | 59,388 | 50,702 |
| Stockholders' Equity | | | | | | | |
| Stockholders' Equity | 37,120 | 37,120 | 37,120 | 37,120 | 37,120 | 37,120 | 37,120 |
| Retained earnings | - | 123 | 4,294 | 10,639 | 18,556 | 28,015 | 39,369 |
| Total stockholders' equity | 37,120 | 37,243 | 41,414 | 47,759 | 55,676 | 65,135 | 76,489 |
| Total Liabilities and Stockholders' Equity | \$ 118,785 | \$ 119,626 | \$ 117,758 | \$ 119,334 | \$ 122,086 | \$ 124,522 | \$ 127,190 |

Bush Industries, Inc.
Projected Statement of Operations
for the years ended December 31, 2004 through December 31, 2009
(\$000)

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---------------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Net Sales | \$ 251,097 | \$ 260,538 | \$ 277,908 | \$ 297,474 | \$ 312,523 | \$ 328,346 |
| Costs and Expenses | | | | | | |
| Cost of Sales | (194,638) | (197,020) | (209,832) | (225,133) | (236,522) | (247,841) |
| Selling, general and administrative | (53,751) | (53,433) | (54,903) | (57,094) | (58,790) | (60,888) |
| Restructuring expenses | (7,741) | 0 | 0 | 0 | 0 | 0 |
| Goodwill impairment expense and other | | | | | | |
| Interest expense | (3,191) | (3,669) | (3,412) | (3,068) | (2,658) | (2,150) |
| Total Costs and Expenses | <u>(259,322)</u> | <u>(254,122)</u> | <u>(268,147)</u> | <u>(285,295)</u> | <u>(297,971)</u> | <u>(310,878)</u> |
| (Loss) Earnings from Operations | <u>(8,225)</u> | <u>6,416</u> | <u>9,762</u> | <u>12,179</u> | <u>14,553</u> | <u>17,468</u> |
| Income Tax (Benefit) Expense | (2,879) | 2,246 | 3,417 | 4,263 | 5,093 | 6,114 |
| Net (Loss) Earnings | <u>\$ (5,346)</u> | <u>\$ 4,170</u> | <u>\$ 6,345</u> | <u>\$ 7,917</u> | <u>\$ 9,459</u> | <u>\$ 11,354</u> |

Bush Industries, Inc.
Projected Statement of Cash Flows
for the years ended December 31, 2004 through December 31, 2009
(\$000)

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flows from Operating Activities | | | | | | |
| Net Income | \$ (5,346) | \$ 4,170 | \$ 6,345 | \$ 7,917 | \$ 9,459 | \$ 11,354 |
| Adjustments to reconcile net (loss) earnings to net cash (used in) provided by operating activities: | | | | | | |
| Depreciation and amortization | 9,898 | 6,598 | 5,295 | 5,137 | 5,038 | 4,954 |
| Deferred income taxes | (2,879) | - | - | - | - | - |
| Accounts receivable | (1,909) | (1,044) | (2,269) | (2,584) | (2,258) | (2,417) |
| Inventories | (2,271) | (1,624) | (1,602) | (2,306) | (1,716) | (1,705) |
| Prepaid expenses and other current assets | - | - | - | - | - | - |
| Accounts payable | (612) | 1,342 | 692 | 838 | 624 | 620 |
| Income taxes | 81 | - | - | - | - | - |
| Other accrued liabilities | - | - | - | - | - | - |
| Net cash (used in) provided by operating activities | (3,039) | 9,442 | 8,462 | 9,002 | 11,147 | 12,806 |
| Cash Flows from Investing Activities | | | | | | |
| Capital expenditures | (845) | (2,062) | (3,000) | (3,000) | (3,500) | (3,500) |
| Increase in other assets | (62,930) | - | - | - | - | - |
| Net cash used in investing activities | (63,776) | (2,062) | (3,000) | (3,000) | (3,500) | (3,500) |
| Cash Flows from Financing Activities | | | | | | |
| Revolver borrowing/(paydown) | 68,221 | (3,421) | 39,172 | (6,002) | (7,647) | (9,306) |
| Term borrowing/(paydown) | (1,407) | (3,960) | (44,633) | - | - | - |
| Net cash provided by (used in) financing activities | 66,814 | (7,381) | (5,462) | (6,002) | (7,647) | (9,306) |
| Change in cash and cash equivalents | - | - | - | - | - | - |
| Cash and cash equivalents at beginning of period ¹ | - | - | - | - | - | - |
| Cash and cash equivalents at end of period ¹ | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

¹ Cash and check float is assumed to be swept against the revolving credit line, therefore cash balance is zero.